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INSTINCT TRUCKING LTD.

*On-Board Computers Support
Multifaceted Fleet Management Program*



Instinct Trucking has found that its on-board monitoring system not only helps ensure safe and efficient driving practices, but also supports several administrative functions and has strengthened the company's bottom line.

A commitment to vehicle and driver monitoring

Instinct Trucking Ltd. is an Edmonton-based transporter of petroleum products. The company operates a fleet of 25 tractors and 40 tank-trailers that transport fuel throughout Manitoba, Saskatchewan, Alberta, British Columbia, the Yukon and the Northwest Territories.

During its first six years of operation, Instinct Trucking used mechanical tachographs to monitor such factors as vehicle speed, braking, engine r.p.m. and unloading times. The tachographs were also used to monitor the number of hours worked by drivers, who are paid on an hourly basis. Cost of the tachographs, including installation, was approximately \$1,500 per vehicle.

According to Jerry Semen, owner of Instinct Trucking, the tachograph program was a success. "We were able to get a much more accurate picture of driver hours and also began to get a handle on our delivery times," he reports.

service

opportunity

Over time, however, the company found the tachographs were cumbersome to use because the data cards had to be read manually. "We had to devote too many resources to reading and analysing the cards," explains Mr. Semen.

Moving from tachographs to on-board computers

In 1995, company management decided to address this issue by installing on-board computers, which store driving data that is then read and analysed by an office-based computer. This minimizes administration costs and allows the data analysis process to take place in a fraction of the time required to read the tachograph cards. In addition to monitoring vehicle speed, braking, engine r.p.m., idling times, fuel consumption and other factors, the on-board computers have supported the automation of several administrative functions.

For example, the system prepares driver logs automatically – a major selling point among the drivers. The on-board computers also monitor driver work hours more accurately and support a payroll system that, according to Mr. Semen, "provides us with a much better picture of our labour costs than we had before."

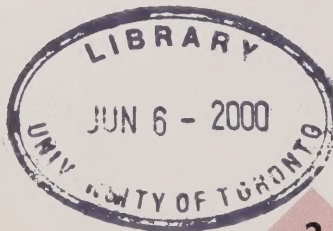
The new monitoring system has also proven extremely useful in providing data for Instinct Trucking's driver incentive program. Driver performance is one of several factors taken into consideration in determining wage increases, awards and special driving assignments.

Driver training and a company speed limit

Driver training is another important aspect of Instinct

Trucking's fleet management program. Using a training module provided by Caterpillar, the company instructs its drivers in the principles of progressive shifting and provides them with information on braking practices, idling and speeding.

The training program is complemented by a company policy of limiting vehicle speed to 90 kilometres per hour. The overriding concern is safety – and the policy has paid major dividends. As of October 1996, the company's drivers had driven 9.5 million consecutive kilometres without experiencing a preventable accident.



"The monitoring provided by the on-board system plays a big part in our safety record," says Jerry Semen, owner of Instinct Trucking. From a safety perspective alone, he would like to see on-board computers installed on all commercial trucks.

Mr. Semen reports little driver resistance to the on-board monitors. "Younger drivers seem to like it better than the older drivers, but we're finding that the more and better tools you give your drivers, the better drivers you get," he says.

As a result of the improved monitoring capabilities and reduced administration costs, company management is convinced that the \$100,000 cost of the on-board system was money well spent.

A strengthened bottom line

The combination of initiatives undertaken by Instinct Trucking has strengthened the company's bottom line. For example, almost immediately after the on-board monitoring system was implemented, Instinct realized a 10 per cent improvement in fleet-wide fuel economy. Although this saving disappeared when the company switched to low-sulphur diesel fuel, which costs more than diesel fuel, the system continues to allow Instinct Trucking to more closely monitor driver hours and service times and to charge customers extra when service times are longer than usual. As a result, "We have been able to keep our costs even so far," says Mr. Semen.

payback

Additional fleet management initiatives planned

Instinct Trucking Ltd. plans to implement additional fleet management initiatives in the near future.

One project already under way is a procurement strategy intended to standardize the fleet as a means of simplifying vehicle maintenance and lowering maintenance costs. Within two years, 80 per cent of Instinct Trucking's fleet will consist of Western Star trucks.

The company also plans to modify the on-board monitoring system to automatically calculate fuel taxes. As well, Instinct Trucking intends to implement either a satellite tracking and messaging system or a cellular system as a means of ensuring direct and continuous communication between dispatch and the company's drivers while they are on the road.



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